REMARKS

I. <u>Introduction</u>

Claims 1-20, 22-26 and 37-44 are now pending in this application. In an Office Action dated June 1, 2005 (hereinafter the "Office Action"), Claim 6 was rejected under 35 U.S.C. 112 for failing to have proper antecedent basis. Applicant has amended Claim 6 accordingly. Claims 11 and 12 were also rejected under 35 U.S.C. 112, second paragraph, as indefinite. Claims 1-18, 23-26 and 37-44 were rejected under 35 U.S.C. § 102(a) as being anticipated by U.S. Patent 6,026,180 to Wittenstein et al. ("Wittenstein"). Claims 15-18, 23-24 and 26 were rejected under 35 U.S.C. 103(a) as unpatentable over Wittenstein in view of Russ (The Image Processing Handbook: Second-Edition). Claims 3-4 and 39-44 were rejected under 35 U.S.C. 103(a) as unpatentable over Wittenstein in view of U.S. Patent No. 4,743,959 to Frederiksen ("Frederiksen").

A. Claim 11

The Office Action requested additional clarification regarding the teaching of the limitation recited in Claim 11. Specifically, the Office Action has cited a portion of the present application that the Office Action believes is inconsistent with the claimed limitation. Below is the cited portion of the application and additional relevant teachings:

"If, however, the cumulative frame data size is above the threshold, the pixel block data is resaved, but in a low-resolution format. More specifically, the previously saved compressed pixel block data is discarded at block 332 and the entire frame is compressed in a low-resolution format at block 334. Alternatively, the video compression application may discard and resave only a portion of the pixel blocks in a low-resolution format." (Page 14, lines 5-11) (emphasis added).

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Applicant respectfully submits that the present application specifically teaches the pixel block data may be discarded if the cumulative frame size data is above a threshold as recited in Claim 11. The present application further teaches that the pixel block data can be resaved from the original image in a low resolution format as taught in the portion cited in the Office Action.

B. Claims 1-18, 20-26 and 37-44

Applicant wishes to thank the Examiner for the indicated allowance of Claims 19-22 if rewritten in independent form. To further the progress of the present application, applicant has cancelled Claim 21 and incorporated the limitations recited in the claim into independent Claims 1, 15, 25, 26 and 37. Applicant respectfully disagrees with the Office Action with regard to the combination of the teachings of Wittenstein, Russ and Frederiksen in rejecting the original claims of the present application. Accordingly, applicant reserves the right to continue the subject matter recited in the remaining original claims.

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II. Conclusion

In view of the foregoing remarks, it is submitted that the present application is now in condition for allowance. Reconsideration and reexamination of the application and allowance of the claims are solicited. If the Examiner has any questions or comments concerning this matter, the Examiner is invited to contact applicants' undersigned attorney at the number below.

Respectfully submitted,

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